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28 July 1952

MEMORANDUM FOR: The Record

SUBJECT : Working Draft of PSB Paper on Southeast Asia

1. I discussed today with [] of FE, the July 23 PSB draft on Southeast Asia. I said I agreed with the Secretary of the PSB on the need for a concise statement of our strategic concept for the area and suggested that Section III B gives all that is necessary in this regard. That section is "to prevent the countries of Southeast Asia from passing into the communist orbit, and to assist them to develop the will and ability to resist communism from within and without and to contribute to the strengthening of the free world."

2. I said I thought the draft was still much too long and repetitious. I suggested that nothing would be lost if we eliminated entirely Section IV, B, "Conditioning Factors", as paragraph C, "Discussion", of that Section gave adequate background information in respect of the area. I suggested further the elimination of paragraph E under this section, "Conclusions and General Guidance", as being unnecessary. Section V also seemed merely repetitious of what is contained in Section VI and could be omitted. With respect to Section VI, I suggested that after each item there be indicated the specific agency or agencies required to take action and those required to support the action.

3. I went on to say that I felt it would be an error for the paper to cover up the fundamental differences which appeared to exist between CIA and State in respect of two important problems. One is the question as to whether hot war preparations shall be conducted in a manner prejudicial to cold war operations, and the other is the question of our attitude toward Chiang Kai Shek and Formosa. I said that I thought you could argue on both sides in each case, and the matter should be submitted to higher authority for decision.

4. [] agreed with this last contention, and although he did not commit himself, he seemed to agree with the other suggestions I had made with respect to the paper.

[]
Chief, Political Branch

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